

(1) The interest rate determined by the Secretary of the Treasury under Public Law 92-41 (85 Stat. 97); or

(2) The time-weighted average of such rates for each cost accounting period during which the capital asset is being constructed, fabricated, or developed.

(b) *Representative investment* is the calculated amount considered invested by the contractor during the cost accounting period to construct, fabricate, or develop the capital asset.

#### **1830.7002-2 Cost of money calculations.**

(a) The interest rate referenced in 1830.7002-1(a)(1) is established semi-annually and published in the FEDERAL REGISTER during the fourth week of December and June.

(b) To calculate the time-weighted average interest rate referenced in 1830.7002-1(a)(2), multiply the rates in effect during the months of construction by the number of months each rate was in effect, and then divide the sum of the products by the total number of months.

#### **1830.7002-3 Representative investment calculations.**

(a) The calculation of the representative investment requires consideration of the rate or expenditure pattern of the costs to construct, fabricate, or develop a capital asset.

(b) If the majority of the costs were incurred toward the beginning, middle, or end of the cost accounting period, the contractor shall either:

(1) Determine a representative investment for the cost accounting period by calculating the average of the month-end balances for that cost accounting period; or

(2) Treat month-end balances as individual representative investments.

(c) If the costs were incurred in a fairly uniform expenditure pattern throughout the construction, fabrication, or development period, the contractor may either:

(1) Determine a representative investment for the cost accounting period by averaging the beginning and ending balances of the construction, fabrication, or development cost ac-

count for the cost accounting period; or

(2) Treat month-end balances as individual representative investments.

(d) The method chosen by the contractor to determine the representative investment amount may be different for each capital asset being constructed, fabricated, or developed, provided the method fits the expenditure pattern of the costs incurred.

#### **1830.7002-4 Determining imputed cost of money.**

(a) Determine the imputed cost of money for an asset under construction, fabrication, or development by applying a cost of money rate (see 1830.7002-2) to the representative investment (see 1830.7002-3).

(1) When a representative investment is determined for a cost accounting period in accordance with 1830.7002-3(b)(1) or 1830.7002-3(c)(1), the cost of money rate shall be the time-weighted average rate.

(2) When a monthly representative investment is used in accordance with 1830.7002-3(b)(2) or 1830.7002-3(c)(2), the cost of money rate shall be that in effect each month. Under this method, the FCCOM is determined monthly, and the total for the cost accounting period is the sum of the monthly calculations.

(b) The imputed cost of money will be capitalized only once in any cost accounting period, either at the end of the accounting period or the end of the construction, fabrication, or development period, whichever comes first.

(c) When the construction, fabrication, or development of an asset takes more than one accounting period, the cost of money capitalized for the first accounting period will be included in determining the representative investment for any future cost accounting periods.

## **PART 1831—CONTRACT COST PRINCIPLES AND PROCEDURES**

### **Subpart 1831.2—Contracts With Commercial Organizations**

Sec.

1831.205 Selected costs.

1831.205-70 Contract clause.

1831.205-671 Solicitation provision.

## **1831.205**

AUTHORITY: 42 U.S.C. 2473(c)(1).

SOURCE: 61 FR 55768, Oct. 29, 1996, unless otherwise noted.

### **Subpart 1831.2—Contracts with Commercial Organizations**

#### **1831.205 Selected costs.**

##### **1831.205-70 Contract clause.**

The contracting officer must insert the clause at 1852.231-70, Precontract Costs, in contracts for which specific coverage of precontract costs is authorized.

[61 FR 55768, Oct. 29, 1996, as amended at 65 FR 46628, July 31, 2000; 69 FR 35271, June 24, 2004]

##### **1831.205-671 Solicitation provision.**

The contracting officer must insert a provision substantially the same as the provision at 1852.231-71, Determination of Compensation, in solicitations for services which contemplate the award of a cost reimbursement or non-competitive fixed-price type service contract having a total potential value in excess of \$500,000.

[62 FR 4467, Jan. 30, 1997, as amended at 65 FR 46628, July 31, 2000]

## **PART 1832—CONTRACT FINANCING**

Sec.

### **Subpart 1832.1—Non-Commercial Item Purchase Financing**

1832.111 Contract clauses for non-commercial purchases.

1832.111-70 NASA contract clause.

### **Subpart 1832.2—Commercial Item Purchase Financing**

1832.202-1 Policy.

1832.206 Solicitation provisions and contract clauses.

### **Subpart 1832.4—Advance Payments For Non-Commercial Items**

1832.412 Contract clause.

1832.412-70 NASA Contract clauses.

### **Subpart 1832.5—Progress Payments Based on Costs**

1832.501 General.

## **48 CFR Ch. 18 (10-1-07 Edition)**

1832.501-1 Customary progress payment rates.

1832.502-4 Contract clauses.

1832.502-470 NASA contract clause.

### **Subpart 1832.7—Contract Funding**

1832.705 Contract clauses.

1832.705-2 Clauses for limitation of cost or funds.

1832.705-270 NASA clauses for limitation of cost or funds.

### **Subpart 1832.10—Performance-Based Payments**

1832.1005 Contract clauses.

1832.1009 Title.

### **Subpart 1832.11—Electronic Funds Transfer**

1832.1110 Solicitation provision and contract clauses.

AUTHORITY: 42 U.S.C. 2473(c)(1).

SOURCE: 61 FR 55768, Oct. 29, 1996, unless otherwise noted.

### **Subpart 1832.1—Non-Commercial Item Purchase Financing**

#### **1832.111 Contract clauses for non-commercial purchases.**

##### **1832.111-70 NASA contract clause.**

The contracting officer shall insert the clause at 1852.232-79, Payment for On-Site Preparatory Costs, in solicitations and contracts for construction on a fixed-price basis when progress payments are contemplated and pro rata payment of on-site preparatory costs to the contractor is appropriate.

### **Subpart 1832.2—Commercial Item Purchase Financing**

#### **1832.202-1 Policy. (NASA supplements paragraph (b))**

(b)(6) Advance payment limitations do not apply to expendable launch vehicle (ELV) service contracts.

[61 FR 55768, Oct. 29, 1996, as amended at 69 FR 35271, June 24, 2004]

#### **1832.206 Solicitation provisions and contract clauses. (NASA supplements paragraph (g))**

(g)(2) The installment payment rate shall be that which is common in the commercial marketplace for the purchased item. If there is no commonly